

DEVELOPMENT PARTNERS: POOR COUNTRIES WHERE CANADA CAN MAKE A DIFFERENCE

The following criteria have been used to select Development Partners:

- **Level of poverty.** To ensure that aid resources focus where the need is greatest, CIDA's Development Partners were identified from among the poorest countries. The *UNDP Human Development Index*, which ranks countries based on life expectancy at birth, adult literacy, school enrolment, and standard of living measured by GDP per capita, is one of the tools used to identify Development Partners. Another is income; only countries below US\$1,000 in average per-capita annual income (measured at current exchange rates) would be considered for designation as Development Partners.
- **Ability to use aid effectively.** Criteria for assessment includes economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions. The World Bank's *Country Policy and Institutional Assessment (CPIA)*, which assesses a country's policies and institutional framework to support poverty reduction, sustainable growth, and effective use of development assistance, offers one international tool which is used to assist in making a Canadian judgment. Countries ranking at the bottom of the CPIA (5 on a scale of 1-5) would not normally be considered as Development Partners.
- **Sufficient Canadian presence to add value.** Canada's current rank relative to other donors and the scale of our current aid effort will be factors in assessing Canada's potential for impact in a developing country. It is recognized that Canada's presence is further enhanced through a strong contribution to our priority sectors, and where we have a particularly effective and privileged policy dialogue. Canada's value-added is further strengthened through its own historical and people-to-people ties with these countries.

Twenty-five countries have been identified as potential development partners, based on an assessment of current data and circumstances against the outlined criteria. The majority of these countries are in sub-Saharan Africa and the rest are in Asia, the Americas, and Central and Eastern Europe.* The Government will periodically review this list of core development partners in relation to the selection criteria and the effectiveness of our programs.

This focus will mean that over time, bilateral assistance will be increasingly concentrated in sub-Saharan Africa, consistent with the Government's Budget 2005 commitment to double aid to Africa from its 2003-04 levels by 2008-09. Canada has played an important role in bringing African issues onto the global agenda, within the G8 and other forums. We will continue to press forward, in close collaboration with other partners in Africa and other donors, to support regional initiatives such as NEPAD. New and ongoing Canadian initiatives focused on Africa

as a region include the \$500-million Canada Fund for Africa, launched at the Kananaskis G8 summit in 2002.

Bringing greater strategic focus to our development program means both human and financial resources will shift to reflect our priorities, including in the field. Within bilateral assistance programming (which currently accounts for roughly 40 percent of the overall international assistance budget), the goal will be to concentrate at least two thirds of bilateral aid on Development Partner countries by 2010, with all other bilateral assistance coming from within a maximum remaining 33 percent of the bilateral program's budget.

Other Ongoing Bilateral Relationships

There will be a limited number of countries for which a case can be made for continuing with targeted bilateral programming (within the up to one third of bilateral

* The list of twenty-five countries will be released separately, once their respective governments have been formally notified.